

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

554J0427

HOUSE BILL NO. 1034

Introduced by: The Committee on Retirement Laws at the request of the South Dakota Retirement System

1 FOR AN ACT ENTITLED, An Act to revise certain provisions of the additional survivor
2 protection program within the South Dakota Retirement System.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 3-12-104 be amended to read as follows:

5 3-12-104. Within three hundred sixty-five days of becoming a member, within ninety days
6 of attaining age thirty-five, or within ninety days of the first anniversary of a marriage, a
7 member may elect to provide the member's spouse with additional survivor protection by
8 increasing the member's contribution by an additional ~~eight-tenths of one~~ and two-tenths percent
9 of compensation, which additional contribution may not be matched by the member's employer.
10 The additional contribution shall commence with the first payroll period following the date of
11 the election. It shall continue until the earlier of the member's spouse attaining age sixty-five,
12 the death or disability of the member, the death of the spouse, termination of employment or the
13 termination of the marriage as defined in the rules of the board of trustees. The additional
14 contribution may not be treated as a member contribution for purposes of determining the
15 amount of refund of accumulated contributions. However, the contributions paid prior to



1 January 1, 1979, shall be considered part of accumulated contributions for determining the
2 amount of refund if the member terminates employment. Notwithstanding any other provision
3 of this section, a member who is currently contributing to the system may terminate the
4 additional survivor protection under this section, but all funds contributed for the additional
5 survivor protection shall remain with the system and may not be considered as part of the
6 member's accumulated contributions. For the purposes of implementing this section, the
7 eight-tenths of one percent contribution for additional survivor protection ~~shall be~~ was applied
8 to all compensation received on or after January 1, 1979, regardless of when that compensation
9 was earned, and the one and two-tenths percent of compensation shall be applied to all
10 compensation received on or after July 1, 2004, regardless of when that compensation was
11 earned.

12 Section 2. That § 3-12-104.1 be amended to read as follows:

13 3-12-104.1. The additional survivor protection option granted under § 3-12-104 is hereby
14 extended to all current contributing members of the system for a period of three months
15 commencing October 1, 1990, and ending December 31, 1990. In no event may the additional
16 survivor protection be made available to a terminated vested member or to a member receiving
17 a retirement allowance from the system. However, the additional survivor protection option may
18 not be so extended again at any time after June 30, 2004.

19 Section 3. That § 3-12-105 be amended to read as follows:

20 3-12-105. The additional survivor protection payable under § 3-12-104, on the death of the
21 member or expiration of benefits that may have been paid pursuant to subdivision 3-12-95(1)
22 because there is no eligible child, entitles the surviving spouse of the member to an annual
23 amount, payable in monthly installments, equal to forty percent of the ~~highest annual~~
24 ~~compensation earned by the member during any one of the last three years of credited service~~

1 member's final compensation multiplied by the improvement factor for each full twelve-month
2 period between the earlier of the date of death or disability of the member and the date the
3 payment of the benefit is due to commence. The additional survivor protection allowance shall
4 continue until the surviving spouse dies or attains age sixty-five, whichever is earlier.

5 Section 4. The provisions of section 3 of this Act do not apply to benefits being paid
6 pursuant to § 3-12-105 prior to July 1, 2004.